

## IMPACT OF SELF CONFIDENCE TO EVALUATE THE QUALITY OF SERVICE OFFERED BY COMMERCIAL BANKS

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### ABSTRACT

*Commercial banks are not only aim to acquire the new customers, but also to retain the existing customers that assumes a greater importance in the market. Majority of the literatures are reveals that services marketing are move more than the product marketing. Services are intangible in nature and Banks are providing numerous services to its customers. But the complications of those services are not been fully implicit by the customers. Hence this study made an attempt to evaluate the impact of self-confidence to measure the quality of service offered by commercial banks in Madurai district. The data required for the research purpose have been obtained from both primary and secondary sources. This was collected by using- Structured questionnaire prepared to collect the response from the respondents. Secondary data will be collected from various journals, books, magazines and already published government sources related to the Commercial banks and geographical location of the study.*

*Majority (81.23%) of the respondents agreed that Perceived Reliability is the major factor for determining service quality of banking industry and secured first rank, Responsiveness (RS) has positive and significant influence to determine Service Quality Gap in Banking Industry by 0.99.*

*Major suggestions drawn by the researcher are, Bankers must provide more possible ways to reach the alternate banking channels to the customers to access bank account in whenever and wherever they are in the need of accessing bank account, Employees in Public sector bank must courteous to the customers for offering services and clarifying the queries, Private sector Banker must give the product specific training to the employees on periodic basis.*

**Keywords:** *Service quality, consumer self-confidence.*

### Introduction:

In the present situation, Commercial banks are not only aim to acquire the new customers, but also to retain the existing customers that assumes a greater importance in the market. Though in the middle of eighties the transactions were in banking system was in the order of relationship banking, with many banks in the world has strengthened the concept of relationship banking. Several Studies have indicated that relationship banking was much more profitable and cost effective to the banks for retaining the existing customers rather than acquiring new customers.

A successful bank in the future will be the one who excel in customer service and to provide them a wide range of services and does a continuous practice in improving its potential to serve better in the market. Above mentioned factors also have been realized that the major strategies to

withstand in stiff competition and it is not only to retain the old customers but also a way to attract the new customers through the provision of better customer services. Hence, in recent scenario, provision for better quality of services to the customers has become one of the crucial points in the core service agenda of banks due to the comprehension of service quality provided that might help the banks to attract more and more customers in a competitive banking environment.

### Problem Definition:

Majority of the literatures are reveals that services marketing are move more than the product marketing. Services are intangible in nature and Banks are providing numerous services to its customers. But the complications of those services are not been fully implicit by the customers. So, how these services are to be utilized by the

customers? What value will be given by the customers in their mind with respect to the services offered by Public and the Private sector bank? Are to be explored with the help of this study.

#### Research Gap:

The researcher has identified the research gap on important aspects of Consumer self-confidence and service quality dimensions. The gap includes problems in accessing branch banking with the quality of services provided by the organization from the customer prospective, level of confidence with the customer perception towards various dimensions of service quality and alternate banking services with the quality of service provided by the organization.

#### Objectives of the Study:

The above research gap gave rise to the development of research objectives and directions for the research. The following is the list of objectives

1. To study the profile of the Private and the Public sector banks.
2. To study the attributes of consumer self-confidence and service quality of commercial banks
3. To offer valuable suggestions based on the findings and provide suitable direction for the future research

#### Literature Review:

According to Xu and Andrew (2009)<sup>1</sup>, the development of brand in the service industry relied heavily on the performance levels of service providers; it refers to the perception of consumers towards the service quality (Brady and Cronin, 2001)<sup>2</sup>. In other words, service quality is considered an essential element of the consumer-based brand equity in the service rendering organisation.

Efficient, pleasurable, and satisfying shopping practices are thought also to contribute to the consumer's personal and social confidence in decision making (Bearden, Hardesty and Rose, 2001)<sup>3</sup>.

Consumer self-confidence is related to, but differs from self-esteem, expertise, and product knowledge. Briefly, and considering each concept in turn, the concept of self-esteem goes by a variety of names (e.g., self-worth, self-respect, self-acceptance), and is assumed to represent the evaluative component of one's self-concept (Blascovich and Tomaka 1991)<sup>4</sup>.

Information Acquisition and Processing (IA and IP), two sub-dimensions reflect the individual's confidence in his or her capability to obtain needed marketplace information and to process and understand that information (Moorthy et al. 1997; Punj and Staeiin 1983)<sup>5</sup> and 6.

Personal and Social Outcomes (PO and SO) the fourth and fifth dimensions of the decision-making, higher order factor are labelled personal outcomes and social outcomes, respectively. Through these dimensions, it is recognized that consumers must make decisions routinely regarding the choice and purchase of products and services (Bettman et al. 1991)<sup>7</sup> and that these decisions result in outcomes

that elicit personal feelings of satisfaction and in many situations, reactions from others.

"Service quality as perceived by the customer is the degree and direction of discrepancy between customer service perceptions and expectations." (Parasuraman, et al. 1985: page 41) <sup>8</sup> this definition provided for the first time recognition that perception by the customer was as much a factor in service quality as the actual service delivered.

Tamizh jyothi and Samudhra Rajkumar (2005)<sup>9</sup> concluded in their study on the effectiveness of celebrity advertisements, wherein they have considered product categories and brands are the important factors that influence the effectiveness of celebrity advertisements.

Tamizh jyothi and Samudhra Rajkumar (2005)<sup>9</sup> conducted a study on the effectiveness of celebrity advertisements, and identified that the products and brands are the key factors in the determination of the effectiveness of celebrity advertisements.

Kailasam Tamizhjyothi and Samudhra Rajakumar (2011)<sup>10</sup> concluded in their study on the role of profession in the prediction of effectiveness of multiple celebrity endorsement, and found that attitude towards celebrity and attitude towards brands will be enhanced when it is endorsed by multiple celebrities. However, profession of the celebrity is a major factor in the prediction of multiple celebrity endorsement effectiveness.

Kailasam Tamizhjyothi and Samudhra Rajakumar (2011)<sup>10</sup> found that attitude towards celebrity and attitude towards brands have significant influence on the purchase of multiple celebrity endorsed products or brands. Profession of the celebrity is also considered while predicting the effectiveness of multiple celebrity endorsement.

Brand awareness has a strong relationship with brand loyalty and it is one of the core steps to strong brand equity (Sritharan et al, 2008)<sup>11</sup>. Sritharan et al, way back in 2008 suggested that brand preference and brand equity closely associated with brand loyalty. The attitudinal bond and behavioural response strengthen brand loyalty and in turn it added more value to brand equity.

In 2008 Sritharan et al, investigated the role of involvement in predicting brand loyalty. One of the findings opines that brand awareness plays an important role in developing a brand loyalty and it act as a stepping stone for brand equity.

#### Research Design:

Empirical research is a way of gaining knowledge by means of direct and indirect observation or practices. Empirical study will be useful to find out the cause and effect relationship among the factors which influencing the Service Quality of the Public and the Private Commercial Banks with special reference to Madurai District.

The study is based on the survey of the respondent. The data required for the research purpose have been obtained from both primary and secondary sources. Primary data collected through the opinion of the respondents is the major source of information. This was collected by using-

Structured questionnaire prepared to collect the response from the respondents. Questionnaire comprises of both demographic and functional variables related to the study. Secondary data will be collected from various journals, books, magazines and already published government sources related to the Commercial banks and geographical location of the study. 534 responses received from the customers of commercial banks and 500 responses were taken for this study. Sample size was estimated through the result revealed from pilot study.

The researcher has adopted Quota sampling, which is non-probability sampling technique. This technique allows researchers to classify the population into different subset. This classification has been done with different areas of bank customers. Each subset of area is assigned samples to collect the data on quota. This sampling technique is called as quota sampling.

### Discussions:

#### Profile of the customers:

- 324 customers of commercial banks consisting of 64.8 Percentage are operating bank accounts whenever it required.
- 211 customers of commercial banks consisting of 42.2 Percentage are Strongly Agree for visiting bank for big transitions.
- 211 customers of commercial banks consisting of 42.2 Percentage are Strongly Agree that unable to visit bank due to lack of time.
- 210 customers of commercial banks consisting of 42 Percentage are Strongly Disagree for not visiting bank is the reason of unavailability of transport.
- 198 customers of commercial banks consisting of 39.6 Percentage are Strongly Disagree that the physical condition and illness are not reason to access the bank.
- 174 customers of commercial banks consisting of 34.8 Percentage are Strongly Agree for visiting bank for locker access.
- 165 customers of commercial banks consisting of 33 Percentage are neither agree nor Disagree for visiting bank for complaints/ suggestions.
- 156 customers of commercial banks consisting of 31.2 Percentage are agree for visiting bank for loan processing.
- 156 customers of commercial banks consisting of 31.2 Percentage are neither agree nor disagree for visiting bank for customized account statement.
- 126 customers of commercial banks consisting of 25.2 Percentage are agree for not visiting bank due to the distance.
- 125 customers of commercial banks consisting of 25 Percentage are neither agree nor disagree for visiting bank branches to know the status of cheque.

#### Association between Occupation and Consumer Self-Confidence in Private Sector Banks:

- Significance of F value for the tested hypothesis is .201, which is greater than 0.05, so the null hypothesis is accepted. Hence it is concluded that "Occupation"

of the respondents does not differ with the "No trouble understanding the negotiating tactics used by organisations".

- Significance of F value for the tested hypothesis is .001, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Occupation" of the respondents differ with the "Information required in advance to make purchase".

#### Association between Expected Service Quality and Decision for Investment in Private Sector Banks:

- Significance of F value for the tested hypothesis is 0.001, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Expected service quality of the respondents" does significant changes in the "Frequently have doubts about the financing decisions".
- Significance of F value for the tested hypothesis is 0.001, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Expected service quality of the respondents" does significant changes in "Frequently worry over what to invest".
- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Expected service quality of the respondents" does significant changes in "Frequently wonder to made right investment decisions".

#### Association between Occupation and Consumer Self-Confidence in Public Sector Banks:

- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Occupation" of the respondents does significant changes in "the right questions to ask when investing".
- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Occupation" of the respondents does significant changes in "The skills required to obtain needed information before making important purchases".
- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that Occupation of the respondents does differ with the Frequency wonder to made right investment decisions.

#### Association between Perceived Service Quality and investment Decision in Public Sector Banks:

- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Perceived service quality of the respondents" does significant changes in the "Frequently have doubts about the financing decisions".
- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that "Perceived"

service quality of the respondents” does significant changes in “Frequently worry over what to invest”.

- Significance of F value for the tested hypothesis is 0.000, which is less than 0.05, so the null hypothesis has rejected. Hence it is concluded that “Perceived service quality of the respondents” does significant changes in “Frequently wonder to made right investment decisions”.

#### Suggestions of the Study:

- 11 customers of commercial banks consisting of 2.2 Percentage are in the age group of above 51 years. Bankers must concentrate some specific plans (Investment schemes and Loan Schemes) to attract this age group and provide addition percentage of interest for increasing the habit of savings and investments into the Banks.
- 32 customers of commercial banks consisting of 6.4 Percentage are having qualification of Professional degree holders must spread the awareness to the people in this segment for instance they must provide advertisements in the social media and use digital marketing strategies.
- 35 customers of commercial banks consisting of 7 Percentage are operating bank accounts on occasionally. Bankers must provide more possible ways to reach the alternate banking channels to the customers to access bank account in whenever and wherever they are in the need of accessing bank account.
- 146 customers of commercial banks consisting of 29.2 Percentage are Strongly Agree for not visiting bank due to distance. Bankers must provide more possible ways to reach the alternate banking channels to the customers to access the banking services.

#### Conclusion:

Majority (81.23%) of the respondents agreed that Perceived Reliability is the major factor for determining service quality of banking industry and secured first rank, Responsiveness (RS) has positive and significant influence to determine Service Quality Gap in Banking Industry by 0.99.

Major suggestions drawn by the researcher are, Bankers must provide more possible ways to reach the alternate banking channels to the customers to access bank account in whenever and wherever they are in the need of accessing bank account, Bankers must provide more possible ways to reach the alternate banking channels to the customers to access the banking services, Employees in Public sector bank must courteous to the customers for offering services and clarifying the queries, Private sector Banker must give the product specific training to the employees on periodic basis.

These findings and suggestions, if taken seriously would for sure bring about the desired results and even reduce in quality gaps that ultimately works on a sound in accessing banks and become a high reputation to the bankers.

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